

*a***OH BENG HAI & ANOR****v.****DICKSON WONG (MALAYSIA) SDN BHD & ANOR***b*

COURT OF APPEAL, KUALA LUMPUR

MOKHTAR SIDIN JCA

HAIDAR MOHD NOOR JCA

ABDUL KADIR SULAIMAN JCA

[CIVIL APPEAL NO: P-02-455-1998]

15 MARCH 2001

c

TRADE MARKS: *Infringement of - Similar trade marks applied to similar products - Whether a false trade description under s. 16 Trade Descriptions Act 1972 - Whether products classified for similar use under the Act*

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The appellants were the registered proprietors of the trade mark “Flying Horse” in respect of sewing machines (‘P1’) classified for domestic use under the Trade Descriptions Act 1972 (‘the Act’). The first respondent was the importer of sewing machines (‘D2’) with the trade marks “Flying Horse” and “PEGASUS” from a company in Japan. D2 was classified for industrial use under the Act. The second respondent was the marketing company for D2.

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The appellants’ claimed that the respondents infringed their trademark. In the lower court, they sought a declaration that the respondents’ use of D2 was a false trade description under the Act. The learned judge held that D2 did not infringe the appellants’ trademark as it was for industrial use only. Hence this appeal.

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The appellants contended that the learned judge erred in finding that D2 was for industrial use because: (i) the evidence of the respondents’ witness DW1, the managing director of the Japan company, was preferred to that of their witness PW1, a Senior Assistant Director of Customs who was an independent witness; and (ii) the overwhelming evidence through exhs. P5 and P6 showed that D2 was designed and manufactured for household use only.

*g***Held:****Per Haidar Mohd Noor JCA***h*

[1] The learned judge had fundamentally misdirected himself on the following grounds: (i) he did not consider or give sufficient consideration to the effect of exhs. P5 and P6 on the weight to be given to the evidence of DW1 who was an interested witness; (ii) he did not give sufficient weight to the evidence of PW1; and (iii) his finding that the use of the word

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“PEGASUS” with the “Flying Horse” devise mark would cause no confusion and that there would be no infringement was unsustainable as the common issue between the parties was whether D2 was for domestic or industrial use in order to determine whether there was an infringement by the respondents of the mark “Flying Horse”.

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[2] An appellate court will not readily interfere with the findings of fact arrived at by the trial court to which the law entrusts the primary task of evaluation of evidence. However, the appellate court has a duty to intervene where a trial court has so fundamentally misdirected itself.

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[3] The documentary evidence itself went against the oral evidence of the DW1 and therefore it was impossible to support the conclusion reached by the learned judge.

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[Appeal allowed.]

[Bahasa Malaysia Translation Of Headnotes]

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Perayu-perayu adalah tuanpuan berdaftar bagi cap dagang “Flying Horse” berhubung dengan mesin-mesin jahit (‘P1’) yang diklasifikasikan untuk kegunaan domestik di bawah Akta Perihal Dagangan 1972 (‘Akta tersebut’). Responden pertama adalah pengimport mesin-mesin jahit (‘D2’) dengan cap dagang “Flying Horse” dan “PEGASUS” daripada sebuah syarikat di Jepun. D2 telah diklasifikasikan untuk kegunaan perindustrian di bawah Akta tersebut. Responden kedua adalah syarikat pemasaran untuk D2.

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Perayu-perayu menuntut bahawa responden-responden telah melanggar cap dagang mereka. Dalam mahkamah rendah, mereka memohon pengisytiharan bahawa kegunaan D2 oleh responden-responden adalah perihal dagangan palsu di bawah Akta tersebut. Hakim yang bijaksana telah memutuskan bahawa D2 tidak melanggar cap dagang perayu-perayu tersebut kerana ianya adalah untuk kegunaan perindustrian. Oleh itu wujudlah rayuan ini.

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Perayu-perayu menegaskan bahawa hakim yang bijaksana tersalah pertimbangan di sisi undang-undang dalam memutuskan D2 adalah untuk kegunaan perindustrian kerana: (i) keterangan saksi responden-responden DW1, pengarah urusan syarikat Jepun tersebut, yang lebih diutamakan daripada keterangan saksi mereka PW1, seorang Penolong Kanan Pengarah Kastam yang merupakan seorang saksi bebas; dan (ii) keterangan yang amat ketara melalui eks. P5 dan P6 menunjukkan bahawa D2 telah direka dan dikilangkan untuk kegunaan rumah sahaja.

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a Diputuskan:**Haidar Mohd Noor HMR**

- b** [1] Hakim yang bijaksana telah pada dasarnya tersalah arah akan dirinya atas alasan-alasan yang berikut: (i) beliau tidak mempertimbangkan atau memberikan pertimbangan yang secukupnya berhubung eks. P5 dan P6 bagi memberikan penekanan kepada keterangan DW1 yang merupakan saksi berkepentingan; (ii) beliau tidak memberikan penekanan yang secukupnya kepada keterangan PW1; dan (iii) keputusan beliau bahawa kegunaan perkataan "PEGASUS" dengan devis tandaniaga "Flying Horse" tidak akan menyebabkan kekeliruan dan tidak akan berlaku perlanggaran
- c** tidak boleh dipertahankan kerana isu sama antara pihak-pihak tersebut adalah samada D2 adalah untuk kegunaan domestik atau perindustrian bagi menentukan samada terdapatnya perlanggaran oleh responden-responden akan tandaniaga "Flying Horse" tersebut.
- d** [2] Mahkamah rayuan tidak akan bersedia untuk mengganggu keputusan fakta mahkamah perbicaraan dimana undang-undang telah mengamanahkan tugas utama menilai keterangan. Walaubagaimanapun, mahkamah rayuan mempunyai tugas untuk mencelah di mana mahkamah perbicaraan telah pada dasarnya tersalah arah dirinya sendiri.
- e** [3] Keterangan dokumentar sendiri menentang keterangan lisan DW1 dan dengan itu adalah mustahil untuk menyokong kesimpulan yang dicapai oleh hakim yang bijaksana.

[Rayuan dibenarkan.]

f Case(s) referred to:

Kim Guan & Co Sdn Bhd v. Yong Nye Fan & Sons Sdn Bhd [1983] 1 CLJ 273
(*refd*)

Sivalingam Periasamy v. Periasamy & Anor [1996] 4 CLJ 545 (*refd*)

Legislation referred to:**g** Trade Descriptions Act 1972, s. 16

*For the appellants - Gerald Samuel (Charles Siaw & Tay Eng Siang with him);
M/s Beng - Yeam Assoc*

*For the respondents - Simon Tan Hon Jin (KF Yeow with him); M/s Peter Huang &
Richard*

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*[Appeal from High Court, Pulau Pinang; Originating Motion No: 25-68-1997
(MT-3)]*

Reported by Usha Thiagarajah

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JUDGMENT

Haidar Mohd Noor JCA:

The appellants, as the applicants in the court below, filed a motion *ex parte* for a declaration under s. 16 of the Trade Descriptions Act 1972 (“the Act”) that the use of the mark “Flying Horse” in relation to sewing machines not produced or sold by the appellants is a false trade description within the provisions of the Act.

The learned judge directed the motion be heard *inter partes* and ordered the appellants to serve the *ex parte* motion on the infringer.

On the date of the hearing of the motion, *inter parties*, by consent, both respondents were made as parties and both parties agreed that there was only one issue for determination by the court – whether the sewing machines in dispute are for domestic or industrial use. It was further agreed by the parties that the issue be tried not by way of affidavits but by oral evidence.

For the purpose of determining the issue, the appellants’ sewing machine, Jamome Sewing Machine with the appellants’ trade mark was marked as P1 whereas the respondents’ sewing machine 053317 was marked as D2. It would then be a matter for the parties at the trial to prove whether D2 is for industrial or domestic use. If the appellants’ succeed in proving that D2 is for domestic use, then there would be an infringement of the appellants’ trade mark. However, if it is shown by the respondents that D2 is for industrial use, then there would not be an infringement.

Each party called one witness only, quite apart from relying on certain documents. The appellants called Roslan bin Yusof, a Senior Assistant Director of Customs, from the Customs Headquarters, Kuala Lumpur. Roslan is from the Classification Branch. He had 22 years service with the Customs Department. The respondents called one Hiroshi Oda, the Managing Director of Pegasus Sewing Machine Pte. Ltd. of Singapore. He is also a director of Pegasus Sewing Machine Manufacturing Co. Japan Ltd.

After hearing the parties, the learned judge ruled that D2 was for industrial use and hence there was no infringement. He accordingly dismissed the motion with costs. Hence this appeal.

The following facts are not disputed.

The appellants are the registered proprietors of the trade mark M/34543 in relation to “Flying Horse” in respect of sewing machine (P1) for domestic use under the Act.

- a* Pegasus Sewing Machine Mft. Co. Ltd of Japan is the registered proprietor of trade mark M/83718 in relation to the “Flying Horse” in respect of sewing machine (D2) for industrial use under the Act. Trade mark M/83717 is in relation to “PEGASUS”.
- b* The first respondent is the importer of sewing machine (D2) from Pegasus Japan and the second respondent is the marketing company for D2 imported by the first respondent. The learned judge, with respect, wrongly referred to the first respondent as the registered proprietor of trade mark M/83718 in relation to D2 in his judgment.
- c* As agreed, it is common ground that the trade marks M/34543 and M/83718 bear the same device “Flying Horse” except that P1 is for domestic use whereas D2 is for industrial use. As stated earlier, the issue for determination by the court was whether D2 is for domestic or industrial use.
- d* **The Issue**
- The learned judge in his judgment essentially preferred the evidence of Hirose Oda (DW1), the witness for the respondents, as opposed to the evidence of Roslan bin Yusof (PW1), the witness for the appellants and proceeded to state that the evidence of DW1 went unchallenged by the appellants.
- e* The counsel for the appellants contended that the learned judge erred in finding that D2 was for industrial use only when it was not supported by the evidence. The counsel relied on the following grounds:
- f* (a) PW1 was an independent witness and he proceeded to adduce evidence on the classification of sewing machines like D2 as being classified for domestic use.
- PW1 further went on to say that under the Harmonised Commodity Description and Coding System, Section XVI, 84.52 D2 is for domestic use. Further, under Section XV73.23 household goods includes all goods used for household purposes and includes the same goods for use in hotels, restaurants, boarding houses, hospitals, canteens, barracks.
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- In addition, PW1 tendered his written explanation (exh. P3) (p. 41 of the Appeal Record). PW1 concluded thus:
- h* 2.3 Oleh yang demikian adalah diputuskan kesemua tiga (3) model mesin jahitan “MAMMYLOCK” ini adalah mesin jahitan jenis “household” di bawah Nombor Kod R 452.10000 Perintah Duti Kastam 1996.
- i*

PW1 was asked only one question under cross-examination by counsel for the respondents, that is by referring him to the customs declaration form that the first respondent declared the machine like D2 for industrial use and it was confirmed by PW1.

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In our view, merely declaring machine like D2 for industrial use was insufficient to rebut the evidence of PW1 as PW1 should have been asked to explain whether the declaration was rightly made or not in view of PW1's own evidence that sewing machine like D2 has been classified for domestic or household use.

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(b) There was overwhelming evidence through the catalogue and the instructions (exhs. P5 and P6) belonging to DW1's company that D2 which was imported into Malaysia was designed and manufactured for household use only or for home sewing (see pp. 116 and 245/246 of the Appeal Record).

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(c) The learned judge misdirected himself by going beyond the agreed issue for his determination.

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Counsel for the appellants further submitted that the learned judge should have treated the evidence of DW1 with caution as he was definitely an interested party as opposed to PW1, who was an independent witness. Further, the telling evidence of P5 and P6 clearly demolished the evidence of DW1 that D2 was for industrial use. The respondents should have called an independent expert witness on sewing machines to show that D2 was for industrial use only. Therefore the issue of the evidence of DW1 went unchallenged, as held by the learned judge, would be of no consequence.

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Having examined the grounds of judgment of the learned judge and considering the submissions of counsel for both parties, we agreed with counsel for the appellants that the learned judge had fundamentally misdirected himself, *inter alia*, on the following grounds:

- (i) he did not at all consider or give sufficient consideration to the effect of P5 and P6 on the weight to be given to the evidence of DW1 who was an interested witness. In fact P5 and P6 destroyed the respondents' case.
- (ii) he did not give sufficient weight to the evidence of PW1 except to say that it was not supported when in fact PW1's evidence, both oral and in writing, was not challenged at all by the respondents except to get confirmation of PW1 on the declaration form that D2 was declared for industrial use.

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- a* (iii) his finding that the use of the word “PEGASUS” with the “Flying Horse” devise mark would cause no confusion and there would be no infringement is unsustainable as it was agreed between the parties that the common issue was whether D2 is for domestic or industrial use in order to determine whether there was an infringement by the respondents of the mark “Flying Horse”.
- b*

- c* It is trite law that an appellate court will not readily interfere with the findings of fact arrived at the trial court to which the law entrusts the primary task of evaluation of evidence. However, the appellate court has a duty to intervene where a trial court has so fundamentally misdirected itself, that one may say that no reasonable court which had properly directed itself and asked the correct questions would have arrived at the same conclusion. (see *Sivalingam a/l Periasamy v. Periasamy & Anor* [1996] 4 CLJ 545).

- d* As we have stated earlier, the documentary evidence itself went against the oral evidence of the respondents’ witness (DW1) and therefore it was impossible to support the conclusion reached by the learned judge. (see *Kim Guan & Co. Sdn. Bhd. v. Yong Nyee Fan & Sons Sdn. Bhd.* [1983] 1 CLJ 273).

- e* For the reasons stated, we agreed with counsel for the appellants that the judgment of the learned judge could not be supported. We allowed the appeal with costs and ordered the deposit to be refunded to the appellants. The order of the learned judge was set aside. We made an order in terms of the originating motion filed by the appellants.

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